Global Surfaces Limited (formerly known as Global Stones Private Limited)

Sr. No.	Details of Consolidated Financial Information	Annexure Reference
1	as at March 31, 2022	Consolidated Balance Sheet
2	for the year ended March 31, 2022	Consolidated Statement of Profit and Loss
3	for the year ended March 31, 2022	Consolidated Statement of Changes in Equity
4	for the year ended March 31, 2022	Consolidated Statement of Cash Flows
5	as at and for the year ended March 31, 2022	Notes to consolidated financial statements
6	as at and for the year ended March 31, 2022	Notes to consolidated financial statements

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Consolidated Balance Sheet as at March 31, 2022
(All amounts in INR millions, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	385.12	439.02
Capital work-in-progress	4	70.75	12.93
Right-of-use assets	5	496.48	94.57
Investment properties	6	-	0.39
Intangible assets	7	0.41	1.08
Financial assets			
i. Loans	8	19.93	20.87
ii. Other financial assets	9	18.43	13.15
Income tax assets (net)		1.45	1.70
Deferred tax assets (net)	10	180.35	120.97
Other non-current assets	11	29.92	8.52
Total non-current assets		**1,202.84**	**713.20**
Current assets			
Inventories	12	469.14	346.49
Financial assets			
i. Investments	13	106.63	-
ii. Trade receivables	14	389.78	398.01
iii. Cash and cash equivalents	15	20.34	54.44
iv. Bank balances other than (iii) above	16	5.93	10.71
v. Loans	17	92.31	1.44
vi. Other financial assets	18	6.39	1.57
Other current assets	19	71.46	64.11
Total current assets		**1,161.98**	**876.77**
Total assets		**2,364.82**	**1,589.97**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20(a)	338.62	64.50
Other equity			
Reserves and surplus	20(b)	1,001.72	919.84
Total equity attributable to the owners of the Company		**1,340.34**	**984.34**
Non-controlling interests		0.00	0.00
Total equity		**1,340.35**	**984.34**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	21	107.93	64.58
ii. Lease liabilities	22	421.50	6.67
Provisions	23	3.83	5.52
Total non-current liabilities		**533.26**	**76.77**

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Consolidated Balance Sheet as at March 31, 2022
(All amounts in INR millions, unless otherwise stated)

Current liabilities			
Financial liabilities			
i. Borrowings	24	264.89	310.02
ii. Trade payables			
a) Total outstanding dues of micro and small enterprise	25	1.46	7.38
b) Total outstanding dues of creditors other than (ii)(a) above		186.03	157.60
iii. Other financial liabilities	26	16.16	15.81
Provisions	27	0.42	2.23
Current tax liabilities	28	10.16	27.90
Other current liabilities	29	12.09	7.92
Total current liabilities		**491.21**	**528.86**
Total liabilities		**1,024.47**	**605.63**
Total equity and liabilities		**2,364.82**	**1,589.97**

The above consolidated balance sheet should be read in conjunction with accompanying notes.

As per our report of even date

For B. KHOSLA & CO.
Chartered Accountants
FRN: 000205C

SANDEEP MUNDRA
Partner
M. No. 075482

Date: June 17, 2022
Place: Jaipur

For and on behalf of the Board of Directors

MAYANK SHAH
Managing Director
DIN:01850199

SWETA SHAH
Director
DIN:06883764

RAJESH GATTANI
Chief Financial Officer

ASEEM SEHGAL
Company Sectary
M. No. A55690

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	30	1,903.13	1,753.71
Other income	31	80.44	36.33
Total income		**1,983.57**	**1,790.04**
Expenses			
Cost of materials consumed	32	986.17	793.53
Purchases of Stock-in-Trade	33	-	-
Changes in inventories of finished goods and work- in-progress	34	(119.32)	(74.45)
Employee benefit expenses	35	149.30	122.69
Depreciation and amortisation expense	36	107.79	130.14
Finance costs	37	29.63	34.10
Other expenses	38	468.94	438.74
Total expenses		**1,622.51**	**1,444.75**
Profit before tax		**361.06**	**345.30**
Income tax expense			
- Current tax	39	64.79	61.07
- Deferred tax		(60.07)	(55.09)
Total tax expense		**4.72**	**5.98**
Profit for the Year		**356.34**	**339.32**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	44	1.03	0.29
Income tax relating to above	39	(0.29)	(0.08)
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		0.18	(0.03)
Income tax relating to above		-	-
Other comprehensive income/ (loss) for the year, net of tax		0.92	0.18
Total comprehensive income for the Year		**357.26**	**339.50**
Profit is attributable to :			
Owners of the Company		356.34	339.32
Non controlling interests		0.00	0.00
		356.34	**339.32**
Other comprehensive income/ (loss) is attributable to :			
Owners of the Company		0.92	0.18
Non controlling interests		-	-
		0.92	**0.18**
Total comprehensive income is attributable to :			
Owners of the Company		357.26	339.49
Non controlling interests		0.00	0.00
		357.26	**339.49**

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)

Earnings per equity share attributable to the owner of parent (in INR)			
Basic earnings per share	46	10.52	10.02
Diluted earnings per share	46	10.52	10.02

The above consolidated statement of profit and loss should be read in conjunction with accompanying notes.

As per our report of even date

For B. KHOSLA & CO.
Chartered Accountants
FRN: 000205C

SANDEEP MUNDRA
Partner
M. No. 075482

Date: June 17, 2022
Place: Jaipur

For and on behalf of the Board of Directors

MAYANK SHAH
Managing Director
DIN:01850199

SWETA SHAH
Director
DIN:06883764

RAJESH GATTANI
Chief Financial Officer

ASEEM SEHGAL
Company Sectary
M. No. A55690

Global Surfaces Limited (formerly known as Global Stones Private Limited)

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

(All amounts in INR millions, unless otherwise stated)

A. Equity share capital

Particulars	Amount
As at April 01, 2020	**-**
Changes in equity share capital	-
As at March 31, 2021	**-**
Changes in equity share capital (bonus issue)	274.12
As at March 31, 2022	**274.12**

B. Other equity

Particulars	Reserves and surplus			Total other equity	Non-controlling interests	Total
	Securities premium	Retained earnings	Other comprehensive income- Foreign Currency Translation Reserve			
As at April 01, 2020	**172.30**	**408.04**	**-**	**580.34**	**-**	**580.34**
Profit for the year		339.32		339.32	0.00	339.32
Other comprehensive income	-	0.21	-	0.21	-	0.21
Total comprehensive income for the year	**-**	**339.53**	**-**	**339.53**	**0.00**	**339.53**
Change in foreign currency translation reserve	-	-	(0.03)	(0.03)	-	(0.03)
Transaction with non-controlling interest	-	-	-	-	0.00	0.00
Balance as at March 31, 2021	**172.30**	**747.57**	**(0.03)**	**919.85**	**0.00**	**919.85**
Profit for the year	-	356.34	-	356.34	0.00	356.34
Other comprehensive income	-	0.74	-	0.74	-	0.74
Total comprehensive income for the year	**-**	**357.09**	**-**	**357.09**	**0.00**	**357.08**
Change in foreign currency translation reserve	-	-	0.18	0.18	-	0.18
Adjustment on account of issue of bonus shares	-	(274.12)	-	(274.12)	-	(274.12)
Share issue expenses	-	(1.26)	-	(1.26)	-	(1.26)
Balance as at March 31, 2022	**172.30**	**829.28**	**0.15**	**1,001.73**	**0.00**	**1,001.72**

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Consolidated Statement of Changes in Equity for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)

For B. KHOSLA & CO.	**For and on behalf of the Board of Directors**	
Chartered Accountants		
FRN: 000205C		
SANDEEP MUNDRA	**MAYANK SHAH**	**SWETA SHAH**
Partner	Managing Director	Director
M. No. 075482	DIN:01850199	DIN:06883764
Date: June 17, 2022	**RAJESH GATTANI**	**ASEEM SEHGAL**
Place: Jaipur	Chief Financial Officer	Company Sectary
		M. No. A55690

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Consolidated Statement of Cash Flows for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31 2021
A. Cash flows from operating activities		
Profit before tax	361.06	345.30
Adjustments for :		
Depreciation and amortisation	107.79	130.14
Interest and other finance costs	29.63	34.10
Provision/ (reversal) for Expected credit loss	1.72	(1.15)
Bad debts	-	6.64
Interest income	(5.58)	(2.02)
Gain on sale and revaluation of Mutual Funds	(3.13)	(0.91)
Unrealised (gain)/loss	2.29	(13.22)
Net loss/(gain) on disposal of property, plant and equipment	(20.86)	(0.29)
Operating profit before working capital changes	**472.91**	**498.59**
Changes in working capital:		
Decrease/Increase in provisions	(2.47)	3.83
Decrease/Increase in trade payables	22.64	86.59
(Decrease)/increase in other current financial and non financial liabilities	4.43	12.79
(Increase)/ decrease in other financial and non-financial assets	(17.32)	(13.17)
Decrease/(increase) in inventories	(122.65)	(110.31)
Decrease/Increase in trade receivables	6.23	(115.61)
Cash generated from operations	**363.77**	**362.71**
Taxes paid (net of refunds)	(81.87)	(41.27)
Net cash inflow from operating activities	**281.90**	**321.44**
B. Cash flows from investing activities		
Loan recovered/(given) during the year	(89.94)	(1.92)
Payments for property, plant and equipment and intangible assets	(121.07)	(77.98)
Proceeds from disposal of property, plant and equipment	22.78	0.46
Purchase of investments	(103.50)	-
Proceeds of investments	-	0.91
Bank deposits matured/(placed) (having original maturity of more than 3 months	4.78	(3.13)
Interest received	5.58	2.02
Net cash (outflow) in investing activities	**(281.37)**	**(79.63)**
C. Cash flows from financing activities		
Share issue expenses	(1.26)	-
Proceeds/(repayment) of borrowings	(3.85)	(154.55)
Repayment of lease liabilities	(0.00)	(0.00)
Interest and other finance costs paid	(29.52)	(38.59)
Net cash inflow/(outflow) in financing activities	**(34.63)**	**(193.14)**
Net increase in cash and cash equivalents (A+B+C)	**(34.10)**	**48.67**
Cash and cash equivalents at the beginning of the year	54.44	5.77
Cash and cash equivalents at the end of the year	**20.34**	**54.44**

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Consolidated Statement of Cash Flows for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)

Reconciliation of cash and cash equivalents as per the consolidated statement of cash flow
Cash and cash equivalents comprise of the following (refer note 15):

Balances with banks		
In current accounts	18.18	46.26
Funds In transit	-	7.91
Cash on hand	2.16	0.27
Cash and cash equivalents at the end of the year	**20.34**	**54.44**

Net debt reconciliation:

Particulars	Year ended March 31 2022	Year ended March 31 2021
Borrowings (including interest accrued)	372.89	374.95
Net Debt	**372.89**	**374.95**

Particulars	Year ended March 31 2022	Year ended March 31 2021
Opening Balance	**374.95**	**539.97**
Proceeds/(repayment) of borrowings	(3.85)	(154.55)
Interest expense recorded in profit and loss	29.63	34.10
Interest paid in cash	(29.52)	(38.59)
Unrealized foreign exchange	2.08	(5.73)
Interest accrued on lease liabilities	(0.40)	(0.25)
Closing Balance	**372.89**	**374.95**
	-	-

Notes:

1. The Statement of cash flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of cash flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

2. Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and creditors for capital goods) during the year.

The above consolidated statement of cash flows should be read in conjunction with accompanying notes.

For B. KHOSLA & CO.
Chartered Accountants
FRN: 000205C

SANDEEP MUNDRA
Partner
M. No. 075482

Date: June 17, 2022
Place: Jaipur

For and on behalf of the Board of Directors

MAYANK SHAH
Managing Director
DIN:01850199

SWETA SHAH
Director
DIN:06883764

RAJESH GATTANI
Chief Financial Officer

ASEEM SEHGAL
Company Sectary
M. No. A55690

Background

Global Surfaces Limited ('the Company') is a limited Company. It is incorporated and domiciled in India and has its registered office at Mahindra World City, Sanganer, Jaipur - 302037.

The Company is incorporated since August 23, 1991 and is engaged primarily in the business of manufacturing of quartz and granite and marble slabs. The company has been converted from a private limited company to a public company on October 21, 2021.

The Company together with its subsidiary is herein after referred to as the 'Group'. These consolidated financial statements were authorized to be issued by the Board of Directors on June 15, 2022.

Note 1: Basis of preparation and Significant Accounting Policies

(a) Basis of preparation

In accordance with the notification dated 16th February,2015, issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2021.

The Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. These are the Group's first Ind AS Financial Statements. The date of transition to Ind AS is April 1, 2020. Refer Note 38 for details of First time adoption - mandatory exceptions and optional exemptions availed by the Group.

Reconciliations and descriptions of the effect of the transition has been summarized in Note 51.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.
The acquisition method of accounting is used to account for business combinations by the Group.
The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.
Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.
When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
(a) certain financial assets and liabilities that is measured at fair value; and
(b) defined benefit plans – plan assets measured at fair value

(d) Use of estimates and judgements

The preparation of Conslidated Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.
The areas involving critical estimates or judgements are:

• Estimated useful life of property, plant and equipment, intangible assets and investment properties – Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economy obsolescence that may change the utility of property, plant and equipment, intangible assets and investment properties.

• Estimation of defined benefit obligation – • Estimation of defined benefit obligation – Measurement of defined benefit obligation and related under plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

• Impairment of trade receivable: The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation

• Estimation of net realisable value for raw material and finished goods: The management has determined net realisable value of finished goods and raw material based on the analysis of physical conditions, technology and market conditions to determine excess or obsolete inventories.

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors of the Holding Company has been identified as being the CODM as they assesses the financial performance and position of the Group, and makes strategic decisions. Refer Note 45 for segment information.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Group.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

(iii) Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities are translated at the closing rate at the date of that balance sheet

• income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

• all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.

(e) Revenue recognition

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer which is generally on dispatch of goods and/or on the date of clearance by Customs. The Group recognizes revenue from the sale of goods measured at the price specified in the contract, net of returns and allowances, trade discounts and volume rebates.

Revenue from value added services, namely freight and shipping insurance, is recognised as and when services are rendered, as per the terms agreed with the customers. Shipping and handling expenses have been netted off while recognition of revenue.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income Tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as per consolidated financial statements as at the reporting date. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in associate where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (" MAT ") credit entitlement is recognized as deferred tax asset if it is probable that MAT credit will reverse in foreseeable future and taxable profit will be available against which such deferred tax can be utilised.

(g) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the lease commencement date. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
• amounts expected to be payable by the Group under residual value guarantees
• the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
• payments penalties the lease, if the lease term reflects the Group exercising that

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

• where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
• uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which not have recent third party financing, and
• makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate take effect, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right—of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

• the amount of the initial measurement of lease liability
• any lease payments made at or before the commencement date less any incentives received
• any initial direct costs, and
• restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a Straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct cost incurred obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

(h) Business Combination

The acquisition method of accounting is used to account for all business combinations except common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

• fair values of the assets transferred;
• liabilities incurred to the former owners of the acquired business;
• equity interests issued by the group; and
• fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

• consideration transferred;
• amount of any non-controlling interest in the acquired entity, and
• acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Business combination between entities under common control is accounted using pooling of interest method of accounting. Under pooling of interest method of accounting, assets and liabilities of combining entities are reflected at carrying amount and no adjustments are made to reflect fair values, or recognize any new assets and liabilities. The only adjustments are made to harmonise accounting policies. The difference between the amount recorded as share capital plus any additional consideration in the form of cash or other assets and amount of share capital of the transferor is transferred to capital reserve and is presented separately from capital reserve.

(i) Impairment of assets

Goodwill and intangible that have an indefinite useful life are subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets(cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held a call with financial institutions, other short-term highly liquid investments with original maturities of less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value .

(i) Trade receivables

Trade receivables are amounts due from customer for sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(j) Inventories

Inventories are valued at lower of cost and estimated net realisable value. Cost is determined on "First-in-First-Out", "Specific Identification" or Weighted Averages" basis as applicable. Cost of Inventories comprises of cost of purchases, cost of conversion and other direct costs incurred in bringing the inventories to their present location and condition. Cost of Finished goods are determined on absorption costing method. Semi Finished Goods are Finished Goods pending Quality Inspection.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Identification of a specific item and determination of estimated net realisable value involves technical judgment of the management, which has been relied upon by the Auditors.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

(k) 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 and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets:

Classification

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

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

• those measured at amortised cost

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

Initial recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sale the financial asset. Financial assets are recognised initially at fair value plus, 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in profit or loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

• fair value (either through other comprehensive income or through profit or loss), or

• amortised cost

Debt instruments

Debt instruments are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets are recognised in other income.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL.

The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 41 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

A financial asset is derecognized only when:

• the Group has transferred the rights to receive cash flows from the financial asset or

• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest rate method and recognised in the consolidated statement of profit and loss as part of other income.

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

Dividend income

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly a recovery part of the cost of the investment.

Other income

All other income is accounted on accrual basis when no significant uncertainty exist regarding the amount that will be received.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/ origination of the financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in the consolidated statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments

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

(l) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost comprises of the purchase price including import duties and non-refundable taxes and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the written down value method, to allocate their cost, net of residual values, over the estimated useful lives of the assets, based on technical evaluation done by the management's expert which is in accordance with the Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on property, plant and equipment is provided based on the management estimated useful life for the property, plant and equipment:

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 proceeds with carrying amount. These are included in profit or loss within other income / other

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment

(m) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, are classified as investment properties. Investment properties are measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the written down value method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property measured as per the previous GAAP and use that carrying value as the deemed cost of the investment property.

(m) Capital Work in Progress

Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment (if any), under Capital work-in-progress. The cost includes the purchase cost of materials, including import duties and non-refundable taxes, interest on borrowings used to finance the construction of the asset and any directly attributable costs of bringing an assets ready for their intended use

(o) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a written down value basis over their estimated useful lives.

Depreciation on intangible assets is provided based on the management estimated useful life for the intangible assets:

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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 proceeds with carrying amount. These are included in profit or loss within other income / other expenses.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

(p) Trade and other payables

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

(r) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised 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. Capitalisation of borrowing costs is suspended and charged to the consolidated statement of profit and loss during extended periods when active development activity on the qualifying asset is interrupted.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(s) Provisions and contingent liabilities

Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Contingent liabilities

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 Group, 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 the obligation or a reliable estimate of the amount cannot be made.

(t) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within period of operating cycle after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within period of operating cycle 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 recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the Group 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

The Group operates the following post-employment schemes.

- defined benefit plan i.e. gratuity
- defined contribution plans such as provident fund and employees state insurance(ESI)

Gratuity obligations

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations and also makes contribution to employees state insurance. The Group has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

(v) Contributed equity

Equity shares are classified as equity.

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

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of respective class of equity shares of the Group
- By the weighted average number of equity shares (respective class wise) outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(x) Rounding of amounts

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

Note 2: Changes in accounting policies and disclosures
New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022.

- Proceeds before intended use of property, plant and equipment- Ind AS 16, Property, Plant and Equipment
- Onerous Contracts – Cost of fulfilling a contract- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- References to the conceptual framework- Ind AS 103, Business combinations
- Fees included in the 10% test for derecognition of financial liabilities- Ind AS 109, Financial Instruments

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Notes to consolidated financial statements as at and for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)
Note 3 - Property, plant and equipment

Particulars	Building	Office equipments	Plant and equipment	Computers	Electrical Installation	Furniture and Fixtures	Vehicles	Total
Year ended March 31, 2021								
Gross carrying amount								
Opening gross carrying amount	207.40	4.12	595.39	1.83	30.30	9.35	32.23	**880.60**
Additions	2.50	0.62	57.02	0.21	0.13	-	-	**60.48**
Disposals	-	-	(0.74)	(0.11)	-	-	-	**(0.85)**
Closing gross carrying amount	**209.90**	**4.74**	**651.66**	**1.92**	**30.43**	**9.35**	**32.23**	**940.23**
Accumulated depreciation								
Opening accumulated depreciation	33.60	3.00	292.55	1.43	18.41	4.59	19.90	**373.21**
Additions	9.61	1.00	106.97	0.24	5.80	1.23	3.81	**128.66**
Disposals/Adjustments	-	(0.00)	(0.55)	(0.11)		-	-	**(0.67)**
Closing accumulated depreciation	**43.21**	**3.99**	**398.96**	**1.56**	**24.21**	**5.82**	**23.71**	**501.21**
Net carrying amount	**166.69**	**0.75**	**252.70**	**0.36**	**6.22**	**3.53**	**8.51**	**439.02**
Year ended March 31, 2022								
Gross carrying amount								
Opening gross carrying amount	209.90	4.74	651.66	1.92	30.43	9.35	32.23	**940.23**
Additions	2.50	0.72	32.74	0.51	-	0.04	16.74	**53.25**
Disposals	-	-	(3.25)	-	(0.04)	-	(2.72)	**(6.01)**
Closing gross carrying amount	**212.40**	**5.46**	**681.15**	**2.43**	**30.39**	**9.39**	**46.25**	**987.47**
Accumulated depreciation								
Opening accumulated depreciation	43.21	3.99	398.96	1.56	24.21	5.82	23.71	**501.21**
Additions	9.34	0.82	87.34	0.37	2.99	0.91	3.84	**105.61**
Disposals/Adjustments	-	-	(2.28)	-	-	-	(2.19)	**(4.47)**
Closing accumulated depreciation	**52.55**	**4.81**	**484.03**	**1.93**	**27.20**	**6.73**	**25.36**	**602.35**
Net carrying amount	**159.85**	**0.65**	**197.13**	**0.50**	**3.19**	**2.66**	**20.89**	**385.12**

Notes:

1) Refer note 21 and 24 for information on property, plant and equipment offered as security against borrowings taken by the Group

2) The group has not revalued any of its property, plant and equipment during the current year and previous year.

(All amounts in INR millions, unless otherwise stated)

Note 4 - Capital Work in Progress

Particulars	Total
Balance as of April 01, 2020	**-**
Addition during the year	12.93
Transferred to property plant and equipment	-
Balance as of March 31, 2021	**12.93**
Addition during the year	57.82
Transferred to property plant and equipment	-
Balance as of March 31, 2022*	**70.75**

* Consist of expenditure incurred on construction on leasehold premises amounting to INR 55.77 and pre-operative expenses for construction of plant at Dubai amounting to INR 14.98.

Particulars	Less than 1 year	1-2 years	More than 2 years	Total
Balance as of April 01, 2020	-	-	-	**-**
Balance as of March 31, 2021	12.93	-	-	**12.93**
Balance as of March 31, 2022	57.82	12.93	-	**70.75**

Note 5 - Right-of-use-Assets (ROU assets)

Particulars	Total
Balance as of April 01, 2020	**91.89**
Addition during the year	4.03
Depreciation	1.35
Balance as of March 31, 2021	**94.57**
Addition during the year	409.41
Depreciation	1.50
Depreciation capitalized to capital work-in progress	6.00
Balance as of March 31, 2022*	**496.48**

1) Refer note 19 and 23 for information on Right-of-use-Assets offered as security against borrowings taken by the Group.

2) Title deeds of Immovable Property not held in the name of the Group

Particulars	Remarks
Relevant line item in the Balance Sheet	Right-of-use assets
Description of item of property	Leasehold Land
Gross Carrying Value	3.93
Title deeds in the name of	Erstwhile lease holder
Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	No
Property held since which date	November 23, 2004
Reason for not being held in the name of the Group	The said property was purchased in auction from DRT Court and unencumbered possession and valid ownership was transferred to Group through court orders. RIICO ("lessor") vide letter November 23, 2004 has handed over original land lease agreeements which constitute a valid title in favor of group without any further action required by group for title transfer.

3) Right-of-use assets amounting to INR 3.02 (March 31, 2021: INR 3.60) for which MoU is executed in the favour of group but lease deed is pending to be executed and registered.

(All amounts in INR millions, unless otherwise stated)

Note 6 - Investment properties

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying amount		
Opening gross carrying amount	1.17	1.17
Disposals	(1.17)	-
Closing gross carrying amount	**-**	**1.17**
Accumulated depreciation		
Opening accumulated depreciation	0.78	0.76
Depreciation charge during the year	0.01	0.02
Disposals	(0.79)	-
Closing accumulated depreciation	**-**	**0.78**
Net carrying amount	**-**	**0.39**

Refer note 21 and 24 for information on investment properties offered as security against borrowings taken by the Group

(i) Amounts recognised in the consolidated statement of profit and loss for investment properties:

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income	6.90	11.86
Profit from investment properties before depreciation	**6.90**	**11.86**
Depreciation	(0.01)	(0.02)
Direct operating expenses	-	(0.51)
Profit/ (loss) from investment properties	**6.89**	**11.33**

(ii) Fair value

Particulars	As at March 31, 2022	As at March 31, 2021
Investment properties	-	275.26

Estimation of fair value

The Group carries out independent valuation for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including:

(a) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences

The fair values of investment properties have been determined by Haripriya Associates Private Limited. All resulting fair value estimates for investment properties are included in level 3.

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Notes to consolidated financial statements as at and for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)
Note 7 - Intangible assets

Particulars	Computer software
Year ended March 31, 2021	
Gross carrying amount	
Opening gross carrying amount	1.41
Additions	0.10
Disposals	(0.14)
Closing gross carrying amount	**1.37**
Accumulated amortisation	
Opening accumulated amortisation	0.33
Amortisation charge during the year	0.10
Disposals/Adjustments	(0.14)
Closing accumulated amortisation and impairment	**0.29**
Net carrying amount	**1.08**
Year ended March 31, 2022	
Gross carrying amount	
Opening gross carrying amount	1.37
Additions	-
Closing gross carrying amount	**1.37**
Accumulated amortisation	
Opening accumulated amortisation	0.29
Amortisation charge during the year	0.67
Closing accumulated amortisation and impairment	**0.96**
Net carrying amount	**0.41**

(All amounts in INR millions, unless otherwise stated)

Note 8 - Non-Current Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good		
Loans (At amortised cost)		
- To related parties (refer note 40)	19.62	20.29
- To employees	0.31	0.58
Total	**19.93**	**20.87**

Loans to related parties (unsecured and considered good) includes INR Nil (March 31, 2021: Nil) is due from directors or other officers, or any of them, either severally and jointly with any other persons of from firms or private companies in which any director is a partner or director or member.

Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good – Secured	-	-
Loans considered good - Unsecured	19.93	20.87
Loans which have significant increase in credit risk	-	-
Loans – credit impaired	-	-
Total	**19.93**	**20.87**
Loss allowance	-	-
Total loans	**19.93**	**20.87**

Note 9 - Other non-current financial asset

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered good		
Security Deposit	18.43	13.15
Total	**18.43**	**13.15**

Note 10 - Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax	24.54	28.08
MAT credit entitlement	155.81	92.89
Total	**180.35**	**120.97**

Note 11 - Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered good		
Capital advances	29.92	8.52
Total	**29.92**	**8.52**

Note 12 - Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(As per Inventory taken, valued and certified by the management) (refer accounting policy)		
Raw Material	57.59	80.16
Work-in-Progress	6.81	8.32
Finished Goods (includes goods in transit*) and Semi - Finished Goods	345.54	224.71
Consumables	59.20	33.30
Total	**469.14**	**346.49**

*Goods in transit amounting to Nil (March 31, 2021: INR 18.81)

Refer note 21 and 24 for information on inventories offered as security against borrowings taken by the Group

Note 13 - Current Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Quoted- Mutual Funds (Valued at fair value through profit and loss)		
Investment in Mutual Funds (25,74,188.76 Units of ICICI Prudential Ultra Short Term Fund- Growth having face value of INR 10)	57.71	-
Investment in Mutual Funds (11,21,122.593 Units of Axis Ultra Short Term Fund- Regular Growth having face value of INR 10)	13.54	-
Investment in Mutual Funds (28,81,415,.59 Units of HDFC Ultra Short Term Fund- Growth having face value of INR 10)	35.38	-
Total	**106.63**	**-**
Aggregate amount of quoted investment and market value thereof	106.63	-
Aggregate amount of impairment in value of investments	-	-

Note 14 - Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
- To related parties (refer note 40)	1.27	2.28
- To other parties	391.86	397.37
Less: Loss allowance	(3.35)	(1.64)
Total	**389.78**	**398.01**

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	377.83	393.68
Trade receivables which have significant increase in credit risk	15.30	5.97
Trade receivables – Credit impaired	-	-
Total	**393.13**	**399.65**
Loss allowance	(3.35)	(1.64)
Total trade receivables	**389.78**	**398.01**

Note:

(i) Trade or other receivable amounting to INR 12.72 lakhs (March 31, 2021: INR 22.82 lakhs) are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Refer note 21 and 24 for information on trade receivable offered as security against borrowings taken by the Group

Movement in the expected credit loss allowance

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1.65	2.78
Movement in expected credit loss allowance on trade receivables	1.71	(1.14)
Provision at the end of the year	**3.35**	**1.65**

Ageing Schedule of Trade receivables considered good – Unsecured

Particulars	As at March 31, 2022	As at March 31, 2021
Not due	152.52	200.12
Less than 6 Months	205.13	162.94
6 Months - 1 Year	20.18	30.62
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	**377.83**	**393.68**

Ageing Schedule of Trade receivables which have significant increase in credit risk

Particulars	As at March 31, 2022	As at March 31, 2021
Not due	-	-
Less than 6 Months	-	-
6 Months - 1 Year	-	-
1-2 Years	13.02	2.35
2-3 Years	1.48	3.24
More than 3 Years	0.80	0.39
Total	**15.30**	**5.97**

Note 15 - Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	18.18	46.26
Funds In transit	-	7.91
Cash on hand	2.16	0.27
Total	**20.34**	**54.44**

Note 16 - Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits for original maturity of more than 3 months but less than 12 months*	5.93	10.71
Total	**5.93**	**10.71**

*These are restricted deposits.The restriction are primarily on account of deposit held as margin money against borrowings.

Note 17 - Current Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good		
Loans (At amortised cost)		
- To related parties (refer note 40)	4.11	-
- To others	84.18	-
- To employees (refer note 40)	4.02	1.44
Total	**92.31**	**1.44**

Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good – Secured	-	-
Loans considered good - Unsecured	92.31	1.44
Loans which have significant increase in credit risk	-	-
Loans – credit impaired	-	-
Total	**92.31**	**1.44**
Loss allowance	-	-
Total loans	**92.31**	**1.44**

Note:

(i) The loans have been given for general business purpose and has been utilized by the borrowers for the same.

(ii) Loans to employees (unsecured and considered good) includes INR 2.18 (March 31, 2021: Nil) due from Managing director given as a part of the conditions of service extended by the Group to all of its employees

(iii) None of the loans or advances in the nature of loans granted to Promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) is repayable on demand or without specifying any terms of repayment.

Note 18 - Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good		
Export incentive receivable	3.19	0.41
Other Receivable	3.20	1.16
Total	**6.39**	**1.57**

Note 19 - Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good		
MTM gains receivable on outstanding forward contracts	2.73	-
Balance with government authorities	31.60	30.78
Advance to vendors	31.54	26.64
Prepaid expenses	5.59	6.69
Total	**71.46**	**64.11**

(All amounts in INR millions, unless otherwise stated)

Note 21 - Non current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Term loan from banks	105.43	63.81
Vehicle Loans from banks and financial institutions	10.60	3.33
Unsecured		
From Body Corporates	-	9.63
Less : Current maturities of non current borrowings (refer note 24)	(8.10)	(12.19)
Total	**107.93**	**64.58**

Note:

a) Term Loan

Term Loan from bank is exclusively secured by Equitable mortage of factory Land and Building at Bagru Industrial Area and at Mahindra SEZ and hypothecation of existing and future movable fixed assets of the Group.

-Further secured by

Personal Guarantees of Managing director.

Repayment:

Foreign Currency Tem Loan (FCNR-B TL) is repayable in 20 quaterly installment of INR 6.5 beinging from December 2018 (For term Loan I) and 15 quarterly installment of INR 17.5 beginning from April 2020 (For Term Loan II). GECL Term Loan is repayable 36 monthly installment of INR 2.92 each after moratorium of 24 months (Beginning from March, 2024)

Interest Rate:

Foreign currency term loans @ Libor+3.5% , GECL @ RLLR +1.25% i.e 7.75%

Vehicle Loans is secured by hypothetication of respective Motor vehicle.(i) Repayable in 40 Installments of INR 0.23 & Interest payable @9.35%, (ii) Repayble in 48 monthly installment of INR 0.15 and bullet repayment of INR 5.43 at the end of loan period

Note 22 - Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities on right to use asset (refer note 48)	421.50	6.67
Total	**421.50**	**6.67**

Note 23 - Non current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefit		
Provision for Gratuity (refer Note 44)	-	3.78
Provision for Compensated absences (refer Note 44)	3.83	1.74
Total	**3.83**	**5.52**

Note 24 - Current Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Borrowings- from banks		
Cash Credit	12.09	14.15
Post shipment Loan	10.13	111.16
Pre-shipment Loan	234.57	172.52
Current maturities of long term debt	8.10	12.19
Total	**264.89**	**310.02**

Primary Security

Working capital loans from bank is secured by Stock-in-Trade, Receivables and other current assets of the Holding Company.

Further secured by

Equitable mortgage of Factory land and Building Situated at Bagru Industrial Area and Mahindra SEZ.

Personal Guarantee of Managing Director

Repayment:

On Demand

Interest Rate:

Cash Credit- MCLR + 1.45% p.a. i.e. 8.25% with monthly rest and on Exports limits -MCLR+0.45% p.a. i.e. 7.25% with monthly rest. Interest rate on Pre-Shipment and Post shipment availed in Foreign currency are linked with LIBOR plus spread as stipulated by bank.

Reconciliation of quarterly returns/statements submitted to banks with Books of accounts:

Paritculars	Amount reported in the stock statement	Amount as per books of accounts	Difference
Jun-21			
Inventory	365.56	329.26	36.30
Trade Receivables	439.66	446.50	(6.84)
Trade Payables	165.09	171.18	(6.09)
Sep-21			
Inventory	342.19	362.60	(20.41)
Trade Receivables	474.33	472.95	1.38
Trade Payables	142.36	136.65	5.71
Dec-21			
Inventory	345.00	427.82	(82.82)
Trade Receivables	390.07	389.17	0.90
Trade Payables	142.44	147.00	(4.56)

Paritculars	Amount reported in the quarterly return*	Amount as per books of accounts	Difference
Jun-21			
Inventory	313.36	329.26	(15.90)
Trade Receivables	451.63	446.50	5.13
Trade Payables	188.99	171.18	17.81
Sales	518.51	556.22	(37.71)
Dec-21			
Inventory	338.76	427.82	(89.06)
Trade Receivables	396.19	389.17	7.02
Trade Payables	183.74	147.00	36.74
Sales	486.68	488.68	(2.00)

* For september quarter only half yearly operating statement have been submitted which comprises of operating results and fund flow. In the absence of non-availability of half yearly financial statement differences cannot be identified.

Reason for material discrepencies

Inventory

While preparing stock statements adjustments for overhead allocation and NRV valuation is carried out on estimated basis whereas in books of accounts the same exercise is carried on annual basis.

Trade receivables and payables

These figures are based on priovisional financial statements. However certain settlements, system integration issues and reconciliation adjustments of receivables and payables have been carried out at later date in books of accounts.

Sales

Due to some system integration issues some sale invoices were not captured while submitting quaterly returns

Note 25 - Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
Dues to others	186.03	157.60
Dues to micro and small enterprises	1.46	7.38
Total	**187.49**	**164.98**

Trade payable ageing schedule for MSME - Not disputed

Particulars	As at March 31, 2022	As at March 31, 2021
Unbilled	-	-
Not due	0.50	4.47
Less than 1 year	0.16	2.68
1-2 Years	0.57	-
2-3 Years	-	-
More than 3 Years	-	-
Total	**1.22**	**7.14**

Trade payable ageing schedule for other than MSME - Not disputed

Particulars	As at March 31, 2022	As at March 31, 2021
Unbilled	8.73	11.94
Not due	85.88	121.33
Less than 1 year	89.92	23.68
1-2 Years	1.01	0.31
2-3 Years	0.48	0.33
More than 3 Years	0.02	-
Total	**186.03**	**157.60**

Trade payable ageing schedule for MSME - disputed

Particulars	As at March 31, 2022	As at March 31, 2021
Unbilled	-	-
Less than 1 year	-	-
1-2 Years	-	-
2-3 Years	-	0.24
More than 3 Years	0.24	-
Total	**0.24**	**0.24**

Note 26 - Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on borrowings	0.07	0.36
Employee Benefits payables	15.71	15.45
Lease liabilities on right to use asset (refer note 48)	0.38	0.00
Total	**16.16**	**15.81**

Note 27 - Current tax liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (net of advance tax)	10.16	27.90
Total	**10.16**	**27.90**

Note 28 - Current Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefit		
Provision for Gratuity (refer Note 44)	-	2.05
Provision for Compensated absences (refer Note 44)	0.42	0.18
Total	**0.42**	**2.23**

Note 29 - Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Liabilities	10.20	7.73
Advances from customers	1.89	0.19
Total	**12.09**	**7.92**

* this represents unspent corporate social responsibility expenditure

Global Surfaces Limited (formerly known as Global Stones Private Limited)

Notes to consolidated financial statements as at and for the year ended March 31, 2022

(All amounts in INR millions, unless otherwise stated)

Note 20 - Equity Share capital and other equity

Equity share capital

(i) Authorised share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital		
4,60,00,000 (For previous years 67,50,000) equity shares of INR 10 each	460.00	67.50
Total	**460.00**	**67.50**

(ii) Issued, subscribed and paid up

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital		
3,38,61,818 (For previous years 64,49,870) Equity shares of INR 10 each	338.62	64.50
Total	**338.62**	**64.50**

(iii) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of` Rs. 10/-. Each holder of equity shares is entitled to one vote per share with same rights, preferences.In the event of liquidation of the Company, the holders of equity shares will be entitled to received the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Equity Shares issued by the company have equal right as to voting and dividend.

(iv) Movement in equity share capital

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity Shares				
Shares outstanding as at the beginning of the year	64,49,870	64.50	64,49,870	64.50
Add: Share issued during the year/ period	-	-	-	-
Add: Bonus shares issued during the year (Refer note below)	2,74,11,948	274.12	-	-
Shares outstanding as at the end of the year/period	**3,38,61,818**	**338.62**	**64,49,870**	**64.50**

Note: Pursuant to its Board Resolution dated April 01, 2021, the Company has issued bonus shares to equity shareholders in the proportion of 2 (Two) new fully paid-up equity shares of Rs. 10/- each for every 1 (One) fully paid-up equity share held. Accordingly, the Company had allotted 1,28,99,740 equity shares having face value of Rs. 10 each. Further, during the meeting held on March 26, 2022 , the Company decided to issue bonus shares to equity shareholders in the proportion of 3 (Three) new fully paid-up equity shares of Rs. 10/- each for every 4 (Four) fully paid-up equity share held. Accordingly, the Company has allotted 1,45,12,208 equity shares having face value of Rs. 10 each. These bonus shares were issued by capitalisation of retained earnings

(v) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	**% Holding**	**Number of shares**	**% Holding**
Mayank Shah	2,49,06,368	73.55%	47,52,470	73.68%
Sweta Shah	35,49,000	10.48%	6,76,000	10.48%
Mayank Shah (HUF)	28,92,488	8.54%	5,50,950	8.54%

(vi) Details of shares held by promoter

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	**% Holding**	**Number of shares**	**% Holding**
Mayank Shah	2,49,06,368	73.55%	47,52,470	73.68%

(vii) Change in shareholding of promoters are disclosed below:

Name of Promoters	Number of shares	% Total shares	% Changes during the year
As at March 31, 2022			
Mayank Shah	2,49,06,368	73.55%	-0.13%
As at March 31, 2021			
Mayank Shah	47,52,470	73.68%	0.00%

(viii) The Company has not bought back any shares during the preceding 5 years.

(ix) Aggregate number of shares issued as fully paid up bonus shares (during 5 years immediately preceding March 31, 2022):

Particulars	As at March 31, 2022	As at March 31, 2021
Fully paid up Bonus Shares of face value 10 each	274.12	-
Total	**274.12**	**-**

(All amounts in INR millions, unless otherwise stated)

20(b) - Other equity

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Securities premium	172.30	172.30
Retained earnings	829.27	747.57
Other comprehensive income- Foreign Currency Translation Reserve	0.15	(0.03)
Total	**1,001.72**	**919.84**

(i) Securities premium

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening balance	**172.30**	**172.30**
Changes during the year	-	-
Closing balance	**172.30**	**172.30**

(ii) Retained earnings

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening balance	**747.57**	**408.04**
Profit for the year	356.34	339.32
Other comprehensive income/ (loss)	0.74	0.21
Utlised for issue of bonus shares	(274.12)	-
Share issue expenses	(1.26)	-
Closing balance	**829.27**	**747.57**

(iii) Other comprehensive income- Foreign Currency Translation Reserve

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening balance	**(0.03)**	**-**
Changes during the year	0.18	(0.03)
Closing balance	**0.15**	**(0.03)**

Nature and purpose of reserves

a. Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

b. Retained earnings

The cumulative gain or loss arising from the operations which is retained by the Group is recognised and accumulated under the heading "Retained Earnings".At the end of the year, the profit after tax and Other Comprehensive income are transferred from the statement of profit and loss to retained earnings. Other comprehensive income comprises actuarial gains and losses on

c. Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations prepared in functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Notes to consolidated financial statements as at and for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)

Note 30 - Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from sale of goods	1,891.46	1,745.37
Other operating revenue		
Export Incentives	5.65	4.79
Handling changes and other operating Income	6.02	3.55
Total	**1,903.13**	**1,753.71**

Note 31 - Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial assets at amortised cost		
Loan to staff	0.03	0.03
Loan to body corporate and others	5.55	1.98
Gain on disposal of property, plant and equipment	20.86	0.29
Reversal of expected credit loss	-	1.15
Rental income	0.84	1.34
Gain on sale and revaluation of Mutual Funds	3.13	0.91
Exchange Gain (net)	43.35	26.08
Miscellaneous Income	6.68	4.56
Total	**80.44**	**36.33**

Note 32 - Cost of Material Consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw Material		
Opening Stock	80.16	56.61
Add: Purchases (net of return)	952.27	791.17
Add: Freight	11.33	25.91
Less: Closing stock	(57.59)	(80.16)
Total	**986.17**	**793.53**

Note 33 - Purchases of Stock-in-Trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchases	-	-
Total	**-**	**-**

Note 34 - Changes in inventories of finished goods and work- in-progress

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
Finished Goods/ Semi Finished Goods	224.71	158.58
Work-in-Process	8.32	-
Total (A)	**233.03**	**158.58**
Inventories at the end of the year		
Finished Goods/ Semi Finished Goods	345.54	224.71
Work-in-Process	6.81	8.32
Total (B)	**352.35**	**233.03**
Increase in stock (A-B)	**(119.32)**	**(74.45)**

(All amounts in INR millions, unless otherwise stated)

Note 35 - Employee benefit expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages, Bonus etc.	100.81	82.28
Contribution to Provident & Other Funds	6.78	5.35
Director's Remuneration (including commision to directors)	30.77	28.54
Gratuity (refer Note 44)	2.37	1.91
Staff Welfare Exp.	8.57	4.61
Total	**149.30**	**122.69**

Note 36 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on tangible assets	105.61	128.67
Amortisation of intangible assets	0.67	0.10
Depreciation on right to use assets	1.50	1.35
Depreciation on investment property	0.01	0.02
Total	**107.79**	**130.14**

Note 37 - Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on		
Secured Long term borrowings	3.37	5.96
Secured Short term Borrowings	11.67	12.52
Unsecured Borrowings from body corporates	0.08	1.40
Lease liabilities	6.02	0.46
Income Tax	1.59	4.78
Others	1.05	0.16
Other borrowing cost		
Bank Charges & Processing Fees	11.25	8.82
	35.03	**34.10**
Finance costs capitalised to Capital work-in-progress	(5.40)	-
Total	**29.63**	**34.10**

Note 38 - Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Manufacturing Expenses		
Electricity Expenses	40.15	48.90
Consumables & Stores Consumed	162.79	166.84
Repair & Maintainance-Machinery	3.50	3.49
Other Direct Expenses	46.39	31.26
Total Manufacturing Expenses	**252.83**	**250.49**

Global Surfaces Limited (formerly known as Global Stones Private Limited)
Notes to consolidated financial statements as at and for the year ended March 31, 2022
(All amounts in INR millions, unless otherwise stated)

Administration Expenses		
Auditors Remuneration	0.67	0.64
CSR Expenses	4.75	1.56
Donation	0.64	1.07
Insurance	2.99	2.94
Legal & Professional Fee	17.09	7.20
Rent, Rates and Taxes	1.83	2.58
Repair & Maintenance	20.59	10.35
Security Charges	3.45	2.77
Travelling and Conveyance	4.41	1.86
Director sitting fees	0.09	-
Training and education expense	6.88	4.99
Provision for Expected credit loss	1.72	-
Bad Debts	-	6.64
Office expenses	2.74	3.00
Miscellaneous Expenses	6.44	4.44
Total Administration Expenses	**74.28**	**50.04**
Selling & Distribution Expenses		
Business Promotion Expenses (Includes Foreign Travelling Expenses)	22.47	11.55
Transportation Charges	83.39	68.62
Participation expenses of fairs	2.84	5.92
Packing Expenses	29.20	27.24
Other Selling & Distribution Expenses	3.93	24.88
Total Selling & Distribution Expenses	**141.83**	**138.21**
Total	**468.94**	**438.74**

(All amounts in INR millions, unless otherwise stated)

Note 39- Taxation

(a) Income tax expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax on profits for the year	64.79	61.07
Total current tax expense	**64.79**	**61.07**
Deferred tax		
Deferred tax asset created	(60.07)	(55.09)
Total deferred tax benefit	**(60.07)**	**(55.09)**
Income tax expense/ (benefit)	**4.72**	**5.98**

(b) Deferred tax assets (net)

The balance comprises temporary differences attributable to:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax assets		
Difference in carrying amount of property plant and equipment and Intangible assets as per tax accounts and books	22.87	25.74
On Gratuity & Leave Encashment Provision	1.00	1.88
On expected credit loss	0.67	0.45
MAT Credit entitlement	155.81	92.89
Deferred tax assets	**180.35**	**120.97**

Movement in deferred tax assets (net)

Particulars	Year ended March 31, 2021	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Others	Year ended March 31, 2022
Movement in deferred tax assets					
Difference in carrying amount of property plant and equipment and Intangible assets as per tax accounts and books	25.75	(2.88)	-	-	22.87
On Gratuity & Leave Encashment Provision	1.88	(0.59)	(0.29)	-	1.00
On expected credit loss	0.45	0.22	-	-	0.67
MAT Credit entitlement	92.89	63.33	-	(0.41)	155.81
Total	**120.97**	**60.07**	**(0.29)**	**(0.41)**	**180.35**

Particulars	Year ended April 01, 2020	(Charged)/ credited to profit and loss	(Charged)/ credited to OCI	Others	Year ended March 31, 2021
Movement in deferred tax assets					
Difference in carrying amount of property plant and equipment and Intangible assets as per tax accounts and books	22.21	3.54	-	-	25.75
On Gratuity & Leave Encashment Provision	0.17	1.79	(0.08)	-	1.88
On expected credit loss	1.77	(1.32)	-	-	0.45
MAT Credit entitlement	41.82	51.08	-	-	92.89
Total	**65.97**	**55.08**	**(0.08)**	**-**	**120.97**

(c) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax for the year	361.06	345.30
Statutory tax rate applicable to the Group	27.82%	27.82%
Tax expense at applicable tax rate	**100.00**	**96.06**
Items disallowed under section 37 of the Income Tax Act, 1961	1.58	2.55
Deductions under section 10AA of the Income Tax Act, 1961	(100.63)	(99.76)
Others	3.77	7.14
Income tax expense	**4.72**	**5.99**

Global Surfaces Limited (formerly known as Global Stones Private Limited)

Notes to consolidated financial statements as at and for the year ended March 31, 2022

(All amounts in INR millions, unless otherwise stated)

Note 40 - Related party transactions

(a) Names of related parties and nature of relationship:

Key Managerial Personnel (KMP)

Mr. Mayank Shah - Managing Director
Mrs. Sweta Shah - Director (w.e.f September 11, 2021)
Mrs. Sweta Shah - Chief Exeuctive Officer (ceased September 10, 2021)
Mr. Asheem Sehgal - Non Executive Director (ceased w.e.f October 01, 2021)
Mr. Ashish Kumar Kachawa - Non Executive Director (w.e.f February 11, 2020)
Mr. Sudhir Baxi - Director (w.e.f December 20, 2021)
Mr. Dinesh Kumar Govil - Director (w.e.f December 20, 2021)
Mr. Yashwant Kumar Sharma - Director (w.e.f December 20, 2021)
Mr. Rajesh Gattani - Chief Financial Officer (w.e.f October 07, 2021)
Mr. Asheem Sehgal - Company Secretary (w.e.f October 07, 2021)
Mr. Rajiv Shah - Executive Director (ceased w.e.f February 12, 2020)

Relatives of Management personnel :

Mridvika Shah
Vatsankit Shah
Rajiv Shah
Nisha Shah
Gyarsi Lal Shah (upto October 13, 2020)
Vimal Kumar Agarwal
Karuna Devi agarwal
Mudit Agarwal

Entities in which Key Management personnel exercise significant influence :

Jagdamba Mines & Minerals
Shah Projects Pvt. Ltd.
Vaishanavi Natural Minerals LLP
Gyarsi Lal Shah (Huf)
Mayank Shah (Huf)
Global Mining Company
Global Casting Pvt. Ltd.
Republic Engineering Company
Super Towers Private Limited
Shah Infrastructures
Laminated Products (India)
Granite Mart Limited
Divine Surfaces Private Limited
AVA Stones Private Limited
NSA Casting LLP
N S Associates
Gladwin Engineers Private Limited
Glittek Granites Limited
R.S. Associates

(All amounts in INR millions, unless otherwise stated)

B) Details of Transaction Entered during the year	**As at March 31, 2022**	**As at March 31, 2021**
I. Transactions		
Directors' and KMP Remuneration (including bonus,commission and PF)		
Mayank Shah	28.35	19.25
Rajiv Shah	-	-
Sweta Shah	6.36	10.93
Sudhir Baxi - Sitting Fees	0.03	-
Dinesh Kumar Govil - Sitting Fees	0.03	-
Yashwant Kumar Sharma - Sitting Fees	0.03	-
Rajesh Gattani	0.61	-
Aseem Sehgal	0.54	-
Professional Fee to Directors		
Aseem Sehgal	0.18	0.29
Ashish Kumar Kachawa	1.20	1.28
Rental income and maintenance charges	**0.84**	**1.34**
Purchase		
Global Mining Company	-	-
Sale		
Granite Mart Limited	-	-
Sweta Shah	2.70	1.93
Global Mining Company	0.56	-
Sale of Investment Property		
Global Casting Private Limited	20.70	-
Purchase of Property, Plant and Equipment		
Vaishanavi Natural Minerals LLP	0.02	-
Interest Income		
Shah Projects Private Limited	0.35	0.41
AVA Stones Private Limited	0.46	0.40
Divine Surface Private Limited	1.63	0.41
Loan Given		
Divine Surfaces Private Limited		
Opening balance	12.38	3.60
Loan Given	1.50	12.00
Interest received	1.63	0.41
Less repaid	0.17	3.63
Net balance	15.34	12.38
Loan Given		
Shah Projects Pvt. Ltd.		
Opening balance	4.04	13.67
Loan Given	-	4.00
Interest received	0.35	0.41
Less repaid	0.28	14.04
Net balance	4.11	4.04
AVA Stones Pvt Ltd		
Opening	3.87	-

Loan Given	-	3.50
Interest received	0.46	0.40
Less: Repaid	0.05	0.03
Net balance	4.28	3.87

II. Balances

Employee Benefits Payables		
Rajiv Shah	-	0.92
Sweta Shah	-	-
Mayanak Shah	0.37	-
Rajesh Gattani	0.07	-
Aseem Sehgal	0.08	-
Trade Payables		
Sudhir Baxi - Sitting Fees	0.03	-
Dinesh Kumar Govil - Sitting Fees	0.03	-
Yashwant Kumar Sharma - Sitting Fees	0.03	-
Ashish Kumar Kachawa	0.04	0.14
Loan to Employees		
Mayank Shah	2.17	-
Rajesh Gattani	0.19	-
Advance to Vendors		
Jagdamba Mines & Minerals	-	-
Glittek Granites Limited	-	-
Global Mining Company	-	0.13
Laminated Products (India)	-	0.36
Vaishanavi Natural Minerals LLP	-	-
Rent Receivable	-	0.83
Loans		
Shah Projects Pvt. Ltd.	4.11	4.04
Divine Surfaces Private Limited	15.34	12.38
AVA Stones Pvt Ltd	4.28	3.87
Trade receivable		
Granite Mart Limited	-	-
Sweta Shah	1.27	2.28

(All amounts in INR millions, unless otherwise stated)

Note 41 - Fair value measurements

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets - at amortised cost		
Non-current loans	19.93	20.87
Security deposits	18.43	13.15
Trade receivables	389.78	398.01
Cash and cash equivalents	20.34	54.44
Bank balances other than cash and cash equivalents	5.93	10.71
Current loans	92.31	1.44
Export Incentive Receivables	3.19	0.41
Other Receivable	3.20	1.16
Financial assets- at FVTPL		
Investment in mutual funds	106.63	-
Total financial assets	**659.75**	**500.19**
Financial liabilities - at amortised cost		
Borrowings (including current maturities and short term borrowings)	372.82	374.60
Trade payables	187.49	164.98
Interest accrued on borrowings	0.07	0.36
Lease liabilities on Right-of-use assets	421.88	6.67
Employee Benefits payables	15.71	15.45
Total financial liabilities	**997.97**	**562.06**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the consolidated financial

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
The fair values of borrowings with original maturity of more than 12 months are calculated based on cash flows discounted using a current lending rate. The mutual funds are valued using the closing net assets value.

(iii) Valuation process

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

(All amounts in INR millions, unless otherwise stated)

(iv) Fair value of financial instruments measured at amortised cost - Level 3

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Non-current loans	19.93	19.93	20.87	20.87
Security deposits	18.43	18.43	13.15	13.15
Total financial assets	**38.36**	**38.36**	**34.02**	**34.02**
Financial liabilities				
Borrowings (including current maturities)	116.02	116.02	76.77	76.77
Lease liabilities on right to use asset	421.50	421.50	6.67	6.67
Total financial liabilities	**537.52**	**537.52**	**83.44**	**83.44**

(iv) Fair value of financial instruments measured through profit and loss

Particulars	As at Mach 31, 2022		
	Level 1	Level 2	Level 3
Financial assets			
Investment in mutual fund	106.63	-	-
Total financial assets	**106.63**	**-**	**-**

The carrying amounts of Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Current loans, Current maturities and short term borrowings, Trade payables, Interest accrued on borrowings, security deposits and other financial assets are considered to be the same as their fair values, due to their short-term nature.

Note 42 - Financial risk management

The Group's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Group's business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Group to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures.

The Group's activities expose it to variety of financial risks namely market risk, credit risk, liquidity risk and commodity risk. The Group has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to the business operations. The Group's principal financial liabilities comprise of borrowings, trade and other payables. The Group's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimize the potential adverse effects of financial market on the Group's performance are outlined hereunder:

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and from its financial activities including deposits with banks and other financial instruments. The Group establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables and advances.

(i) Trade Receivables:

The Group extends credits to customers in normal course of the business. The Group considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. The major customers of the Group are large corporates which are operating in serval jurisdiction and they have a good credit record. For all the customer, the Group regularly monitors the payment track record of each customer and outstanding customer receivables.

To address the concentration risk, the Group is exploring middle east market by establishing production facility there by incorporating a wholly owned subsidiary. Having production facility in middle east will provide Group an added advantage, competitiveness and preference by the potential customer in that region.

Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically.

The average credit period taken on sales of goods is 30 to 150 days. Generally, no interest has been charged on the receivables. The Group generally does not hold any collateral over any of its trade receivables i.e all of the trade receivables are unsecured, however the Group takes ECGC coverage for most of its shipment according to credit limits of various customers to mitigate the credit risk.

Expected Credit Loss (ECL):

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward- looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss(%)
Less than 1 year	Nil
1-2 Years	20%
2-3 Years	30%
More than 3 Years	50%

For ageing of trade receivable refer note 14.

(ii) Cash and cash equivalents and short-term investments:

The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Group does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

Further, the Group also invests its surplus fund into short term highly liquid investment/mutual funds. For investment into these investment, the Group takes services of independent experts who can advise the investment which have minimal market risk.

(All amounts in INR millions, unless otherwise stated)

(B) Liquidity Risk:

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date:

Particulars	Less than one years	More than one year	Total
As at March 31, 2022			
Borrowings (Including Interest accrued, current borrowings and current maturities)	264.96	107.93	372.89
Trade payables	187.49	-	187.49
Lease liabilities on Right-of-use assets	0.38	421.50	421.88
Employee benefits payable	15.71	-	15.71
Total	**468.54**	**529.43**	**997.97**

Particulars	Less than one years	More than one year	Total
As at March 31, 2021			
Borrowings (Including Interest accrued, current borrowings and current maturities)	310.38	64.58	374.96
Trade payables	164.98	-	164.98
Lease liabilities on Right-of-use assets	0.00	6.67	6.67
Employee benefits payable	15.45	-	15.45
Total	**490.81**	**71.25**	**562.06**

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks : foreign currency risk, interest risk and other

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows approved policy parameters utilizing forward foreign exchange contracts whenever felt necessary. The Group does not enter into financial instrument transactions for trading or speculative purpose.

The Group transacts business primarily in USD, Indian Rupees and Euro. The Group has foreign currency trade payables, borrowings and trade receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies i.e for some trade receivables the Group takes buyer credit facilities which is denominated in same foreign currency. The Group also uses forward exchange contract to mitigate the foreign exchange risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Global Surfaces Limited (formerly known as Global Stones Private Limited)

Notes to consolidated financial statements as at and for the year ended March 31, 2022

(All amounts in INR millions, unless otherwise stated)

Particulars	**As at March 31, 2022**		**As at March 31, 2021**	
	Foreign Currency	**INR**	**Foreign Currency**	**INR**
I. Assets				
Trade and other receivables				
USD	5.21	394.63	5.34	392.63
AED	0.67	13.97	-	-
Total Trade and other receivables	**5.88**	**408.60**	**5.34**	**392.63**
Cash and cash equivalent				
USD	0.02	1.60	0.01	0.78
AED	0.70	14.53	-	-
Total Cash and cash equivalent	**0.72**	**16.12**	**0.01**	**0.78**
Total assets	**6.60**	**424.73**	**5.35**	**393.41**
Unhedged Assets	**6.60**	**424.73**	**5.35**	**393.41**
II. Liabilities				
Borrowings				
USD	2.41	182.46	2.83	208.20
Trade and others payable				
USD	0.01	0.48	0.01	1.01
EURO	0.07	5.80	0.11	9.20
Total Liabilities	**2.49**	**188.74**	**2.95**	**218.41**
Unhedged Liabilities (B)	**2.49**	**188.74**	**2.95**	**218.41**
Net Exposure (A-B)	**4.11**	**235.99**	**2.40**	**175.00**

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the group would result in increase / (decrease) in the group's profit before tax by approximately 23.60 for the year ended March 31, 2022

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Group at the end of each reporting period.

<u>Derivative Financial Instruments</u>

The Group, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to hedge against foreign currency exposures relating to highly probable forecast transactions. The Group does not enter into any derivative instruments for trading or speculative purposes. The counter party is generally a bank. These contracts are for a period between 9-12 months.

Foreign Currency (FC)	**As at March 31, 2022**		
	No. of Contracts	**Amount of forward contracts (FC)**	**Amount of forward contracts (INR)**
USD	6	4.25	334.44

(All amounts in INR millions, unless otherwise stated)

Foreign Currency (FC)	As at March 31, 2021		
	No. of Contracts	Amount of forward contracts (FC)	Amount of forward contracts (INR)
USD	3	1.50	115.91

Mark-to-market gain	As at March 31, 2022	As at March 31, 2021
Mark-to-market gains (net)	2.73	0.08
Classified as current assets (refer note 19)	2.73	0.08

(b) Interest risk

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debts and packing credit facilities having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cashflows which are regularly reviewed by the Board. However, the risk is very low.

The Group manages interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(a) Interest rate exposure

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings	10.60	12.95
Variable rate borrowing	370.31	373.84
Total	**380.91**	**386.79**

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Group's profit before tax will be impacted by a change in interest rate as follows:

Particulars	Increase/(decrease) in profit before tax	
	As at March 31, 2022	As at March 31, 2021
Increase in interest rate by 50 basis points (50 bps)	(1.85)	(1.87)
Decrease in interest rate by 50 basis points (50 bps)	1.85	1.87

(iii) Commodity Risk:

The Group is exposed to the movement in the price of key raw materials in the domestic market. The Group has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. In cases, The Group foresee any fluctuations in the prices of key raw material, it makes an understanding with the major suppliers and place advance orders for the raw material.

(All amounts in INR millions, unless otherwise stated)

Note 43 - Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, security premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current and current borrowing. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particular	As at March 31, 2022	As at March 31, 2021
Total equity (A)	1,340.34	984.34
Total debt (B)	380.91	386.79
Gearing ratio (A/B)	**0.28**	**0.39**

Note 44 - Employee benefit obligations

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Compensated absences	3.83	1.74
Gratuity	-	3.78
Current		
Compensated absences	0.42	0.18
Gratuity	-	2.05
Total	**4.25**	**7.75**

(i)Leave obligations

The leave obligations cover the Group's liability for compensated absences

The amount of the provision of 0.42 (March 31, 2021 : 0.18 , March 31, 2020 : Nil) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	As at March 31, 2022	As at March 31, 2021
Leave obligations not expected to be settled within next 12 months	3.83	1.74

(All amounts in INR millions, unless otherwise stated)

(ii) Defined contribution plans

The Group has certain defined contribution plans. 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. The contribution made has been recognised in the restated consolidated statement of profit and loss.

(iii) Post employment obligations

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India.

Balance Sheet Amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2020	**6.77**	**(2.54)**	**4.22**
Current service cost	1.67	-	1.67
Interest expense/(income)	0.46	(0.22)	0.24
Total amount recognised in profit and loss	**2.13**	**(0.22)**	**1.91**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	0.09	0.09
(Gain)/loss from change in experience adjustments	(0.67)	-	(0.67)
(Gain)/loss from change in financial assumptions	0.29	-	0.29
Total amount recognised in other comprehensive income	**(0.38)**	**0.09**	**(0.29)**
Employer contributions	-	-	-
Benefit payments	0.71	(0.71)	-
As at March 31, 2021	**9.21**	**(3.38)**	**5.83**

Particulars	Present Value of Obligation	Fair Value of plan Asset	Net Amount
As at March 31, 2021	**9.21**	**(3.38)**	**5.83**
Current service cost	2.06	-	2.06
Interest expense/(income)	0.49	(0.18)	0.31
Total amount recognised in profit and loss	**2.55**	**(0.18)**	**2.37**

(All amounts in INR millions, unless otherwise stated)

Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(0.01)	(0.01)
(Gain)/loss from change in experience adjustments	(0.57)	-	(0.57)
(Gain)/loss from change in financial assumptions	(0.45)	-	(0.45)
Total amount recognised in other comprehensive income	**(1.02)**	**(0.01)**	**(1.03)**
Employer contributions	-	(7.17)	(7.17)
Benefit payments	(0.36)	0.36	-
As at March 31, 2022*	**10.38**	**(10.39)**	**(0.01)**

* Shown under other current assets

The net liability disclosed above relating to funded and unfunded plans is as below:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	10.38	9.21
Fair value of plan assets	(10.39)	(3.38)
Deficit of funded plan	**(0.01)**	**5.83**
Unfunded plans	-	-
Deficit of gratuity plan	**(0.01)**	**5.83**

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.95%	6.35%
Employee turnover	6.00%	6.00%
Salary growth rate	6.00%	6.00%
Mortality rate	Indian assured lives mortality (2012-14)	

(iv) Sensitivity analysis

The value of the defined benefit obligation to changes in the weighted principal assumptions is as below:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Discount rate (0.5% change)	8.63	7.48	9.34	8.16
Salary growth rate (0.5% change)	9.31	8.10	8.67	7.46
Employee turnover (10% change)	8.98	7.81	8.91	7.80

(All amounts in INR millions, unless otherwise stated)

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

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

(v) The major categories of plan assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(vi) Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below :

Interest rate risk: A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk (ALM risk): The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration risk: Plan is having a concentration risk as all the assets are invested with the insurance Group and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 8-10 years. The expected maturity analysis of undiscounted gratuity is as follows:

Projected benefits payable in future years from the date of reporting	As at March 31, 2022	As at March 31, 2021
1st following year	1.47	0.45
Sum of years 2 to 5	2.75	3.00
Sum of years 6 to 10	3.67	2.92

Note 45 - Segment Reporting

The board of directors (BOD) are the Group's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the BOD for the purposes of allocating resources and assessing performance. Presently, the Group is engaged in only one segment natural stone and engineered quartz used in surface and counter tops and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. The Group has major revenue from outside India.

(All amounts in INR millions, unless otherwise stated)

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the consolidated financial statements as of and for the year ended March 31, 2022.

We provide a significant volume of services to few customers. Therefore, a loss of a significant customer could materially reduce our revenues. The Group has following customers for the financial year ended March 31, 2022, year ended March 31, 2021 and year ended March 31, 2020 that accounted for 10% or more of total revenue.

Particulars	As at March 31, 2022	% of total revenue	As at March 31, 2021	% of total revenue
Customer A	693.84	36.69%	694.58	39.80%
Customer B	334.15	17.67%	373.20	21.38%
Customer C	208.89	11.05%	207.61	11.90%

Note 46 - Earnings per share

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Basic		
Profit for the year attributable to the equity holders of the Company	356	339
Weighted average number of equity shares outstanding at the year end	3,38,61,818	3,38,61,818
Earnings per Equity shares attributable to the equity holders of the Company (Basic and diluted) (In INR)	10.52	10.02
Nominal value per equity share (INR)	10	10

Note 47 - Contingent liabilities and capital committments

A. Contingent liabilities

Description	As at March 31, 2022	As at March 31, 2021
Description		
Income tax matters	49.85	2.66
GST related matter	1.25	5.46
Claims against the Group not acknowledged as Debt	0.45	0.45

a) A search under Section 132 of the Income Tax Act, 1961 was conducted on December 29, 2020 on the Group, promoters and their group entities. The company has not surrendered any undisclosed income pursuant to return filed u/s 153A of Income Tax Act, 1961.Assessments has also been completed for the block period with certain additions against which the Company has preferred appeal. The amount of tax demand has been duly shown under contingent liabilities.

b) The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

(All amounts in INR millions, unless otherwise stated)

B. Capital Commitments

Description	As at March 31, 2022	As at March 31, 2021
Estimated value of contracts in capital account remaining to be executed	1,175.02	-

Note 48 - Ind AS-116, leases

For movement of ROU assets (refer note 5)

The following is the movement of lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	**6.67**	**2.40**
Additions	409.41	4.03
Finance cost accrued during the period	6.02	0.46
Payments of Lease liabilities	(0.22)	(0.22)
Balance at the end	**421.88**	**6.67**

Amount recognised in statement of profit and loss:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense on Right-of -use of Assets	1.50	1.35
Interest expense on lease liabilities	6.02	0.46
Expense relating to short term leases and low value assets*	1.83	0.37
Total	**9.34**	**2.19**

* Included in rent, rates and taxes

Note 49 - Interest in other entities

(a) Subsidiaries

The group's subsidiary are set out below. Unless otherwise stated , the proportion of ownership interests held equals the voting right held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interests	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Global Surfaces Inc.*	United States of America	99.90%	99.90%	99.90%	99.90%
Global Surfaces FZE**	United Arab Emirates	100.00%	NA	100.00%	NA

Principal business activities of the above subsidiries

Global Surfaces Inc - Trading of quartz salbs

Global Surfaces FZE - Manufacturing of quartz salbs

*The Group has acquired control of subsidiary since its incorporation i.e w.e.f April 21, 2020 (F.Y 2020-21)

*The Group has acquired control of subsidiary since its incorporation i.e w.e.f December 14, 2021 (F.Y 2021-22)

Note 50 - Schedule III amendments

The following Schedule III amendments is not applicable on the Group:

(i) The group is not holding any benami property under the "Benami Transactions (Prohibition) Act, 1988;

(ii) The group do not have any transactions/balances with companies struck off under section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956;

(iii) The group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries;

(iv) The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The group does not have any modification or satisfaction of charge which is required to be registered with the RoC beyond statutory period.

(All amounts in INR millions, unless otherwise stated)

Note 51 - Transition to Ind AS

These are the Group's first financial statements prepared in accordance with IND AS. An explanation of how the transition from Indian GAAP to Ind AS has affected the Group's Restated Financial Information is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing Consolidated Financial Information, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A.1 Ind AS optional exemption

(a) Deemed cost for property plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and Investment Property covered by Ind AS 40 "Investment Property". Accordingly, the Group has elected to measure all of its property, plant and equipment, investment property and intangible assets at their previous GAAP carrying value.

(b) Leases

As per Ind AS 116, the standard is applicable from April 01, 2019. Accordingly, the Group has adopted Ind AS 116, effective annual reporting period beginning April 01, 2019 and applied the standard to its leases with modified retrospective approach, by calculating right-of use assets and lease liabilities as at the beginning of the current period using guidance under Ind AS 116. However for the purpose of preparation of Consolidated Financial Information the standard has been applied from April 01, 2020.

A2. Ind AS mandatory exceptions

(a) Estimates:

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS and at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing Restated Statement of Assets and Liabilities) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

(b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if restrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

(c) De-recognition of financial assets and financial liabilities:

As per Ind AS 101, an entity should apply the derecognition requirment in Ind AS 109, Financial Instrument, prospectively for transition occuring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirement retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

Accordingly, the Group has opted to apply derecognition requirement prospectively for transaction occuring on or after the date of transition.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

1. Reconciliation of equity as at March 31, 2021;
2. Reconciliation of statement of total comprehensive income for the year ended March 31, 2021; and
3. The impact on cash flows from operating, investing and financing activities year ended March 31, 2021.

Reconciliation of equity as at March 31, 2021:

Description	Notes to first time adoption	As at March 31, 2021
Equity under previous GAAP		984.88
Adjustments:		
Interest income on EIR basis	3	0.05
Staff welfare expenses	3	(0.26)
Adjustment as per IND AS 116: Lease Adjustments	4	(0.77)
Deferred tax on Ind AS adjustments		0.44
Total adjustments		**(0.54)**
Total equity as per Ind AS		**984.34**

(All amounts in INR millions, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended March 31, 2021:

Particulars	Notes to first time adoption	Year ended March 31, 2021
Profit after tax as per previous GAAP		335.29
Adjustments:		
Allowances for credit losses	1	2.78
Interest income on EIR basis	2	0.03
Staff welfare expenses	2	(0.14)
Change in the provision of Gratuity and Leave encashment		3.60
Adjustment as per IND AS 116: Lease Adjustments	3	(0.71)
Other comprehensive income adjustment	4	(0.29)
Deferred tax on Ind AS adjustments		(1.24)
Total adjustments		**4.03**
Profit after tax as per Ind AS		**339.32**
Other comprehensive income (net of taxes)	4	0.21
Foreign currency translation reserve		(0.03)
Total comprehensive income as per Ind AS		**339.50**

Notes on transition from Previous GAAP and Ind AS:

The following notes explain the material adjustments made while transition from previous GAAP to Ind AS:

Note 1: Allowances for credit losses

Under previous GAAP, the Group provides for provision based on the pre-determined policy. Under Ind AS, the Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Note 2: Interest income on EIR basis

Under Ind AS 109, financial assets are measured at their fair value on initial recognition and thereafter measured at amortised cost. If the fair value of financial assets differs from the transaction price, the difference is recognised as gain or loss unless it qualifies for recognition as some other type of asset. The Group has discounted interest free loans given to the employees which were measured at nominal value under previous IGAAP and recognised the difference between fair value and transaction value as staff welfare expenses and interest income is recognised on the same on EIR basis.

Note 3: Leases

Under previous GAAP, lease rentals were required to expenses in the year of accrual. On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments and the Group has applied modified retrospective approach with ROU asset equal to lease liability.

Note 4: Other comprehensive income

Under Ind AS, remeasurement of defined benefit liability (asset) are recognised in other comprehensive income. Under previous GAAP, the Company recognised such remeasurements in profit or loss. However, this has no impact on the total comprehensive income and total equity. The concept of other comprehensive income did not exist under previous GAAP

Global Surfaces Limited (formerly known as Global Stones Private Limited)

Notes to consolidated financial statements as at and for the year ended March 31, 2022

(All amounts in INR millions, unless otherwise stated)

Note 52 - Additional information as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiary

For the year ended March 31, 2022

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Global Surfaces Limited	99.70%	1,336.38	99.51%	354.60	80.88%	0.74	99.46%	355.34
Subsidiary								
Foreign								
Global Surfaces Inc.	0.35%	4.67	0.48%	1.69	0.00%	-	0.47%	1.69
Global Surfaces FZE	1.08%	14.48	0.00%	-	0.00%	-	0.00%	-
Minority interests in Subsidiary								
Global Surfaces Inc.	0.00%	0.00	0.00%	0.00	0.00%	-	0.00%	0.00
Global Surfaces FZE								
Adjustment due to consolidation	-1.13%	(15.19)	0.01%	0.05	19.12%	0.18	0.07%	0.24
Total	**100.00%**	**1,340.34**	**100.00%**	**356.34**	**100.00%**	**0.92**	**100.00%**	**357.26**

For the year ended March 31, 2021

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Global Surfaces Limited	99.79%	982.30	99.39%	337.26	113.71%	0.21	99.40%	337.47
Subsidiary								
Foreign								
Global Surfaces Inc.	0.29%	2.85	0.63%	2.13	0.00%	-	0.63%	2.13
Global Surfaces FZE	-	-	0.00%	-	0.00%	-	0.00%	-
Minority interests in Subsidiary								
Global Surfaces Inc.	0.00%	0.00	0.00%	0.00	0.00%	-	0.00%	0.00
Global Surfaces FZE								
Adjustment due to consolidation	-0.08%	(0.81)	-0.02%	(0.07)	-13.71%	(0.03)	-0.03%	(0.10)
Total	**100.00%**	**984.34**	**100.00%**	**339.32**	**100.00%**	**0.19**	**100.00%**	**339.50**

These are the notes referred to in our report of even date.

For B. KHOSLA & CO.
Chartered Accountants
FRN: 000205C

SANDEEP MUNDRA
Partner
M. No. 075482

Date: June 17, 2022
Place: Jaipur

For and on behalf of the Board of Directors

MAYANK SHAH
Managing Director
DIN:01850199

SWETA SHAH
Director
DIN:06883764

RAJESH GATTANI
Chief Financial Officer

ASEEM SEHGAL
Company Sectary
M. No. A55690